



**STATEMENT ON BEHALF OF THE GROUP OF 77 AND CHINA
BY MRS KAREN LINGENFELDER, COUNSELLOR, PERMANENT MISSION OF THE
REPUBLIC OF SOUTH AFRICA TO THE UNITED NATIONS, ON AGENDA ITEM 130 :
FINANCIAL REPORTS AND AUDITED FINANCIAL STATEMENTS AND THE REPORT OF
THE BOARD OF AUDITORS, AT THE SECOND PART OF THE RESUMED SIXTY-NINTH
SESSION OF THE FIFTH COMMITTEE OF THE GENERAL ASSEMBLY**

(New York, 4 May 2015)

Mr Chairman,

1. I have the honor to speak on behalf of the Group of 77 and China on agenda item 130 : Financial Reports and Audited Financial Statements, and Reports of the Board of Auditors.

2. We would like to thank Mr Fransis Kitauli, Director of External Audit of the United Republic of Tanzania and Chairman of the Audit Operations Committee of the Board of Auditors, for introducing the Board's report (A/69/5 (Vol. II)); Mr Mario Baez, Chief of the Policy and Oversight Coordination Service, Office of the Under-Secretary General for Management, for introducing the Secretary General's report (A/69/781); and Mr Carlos G. Ruiz Massieu, Chairman of the ACABQ, for introducing the Advisory Committee's report (A/69/838).

Mr Chairman,

3. The Group of 77 and China commends the Board of Auditors for the valuable work done and the critical role it continues to play as an external audit and oversight body of the United Nations. The Group has always been impressed by the timely submission, reader-friendly format as well as the high quality of the Board's reports. The Group appreciates the Board's contribution in ensuring that the principles of fair presentation and full disclosure of financial statements of the United Nations Peacekeeping Operations are adhered to.

4. The Group of 77 and China has taken note that the current financial statement audited by the Board of Auditors was prepared and audited in accordance with the IPSAS standard. The Group welcomes the efforts of the organisation that lead to the successful preparation of the IPSAS financial statement despite many challenges. We would like to encourage the administration to continue to address the underlying challenges and weaknesses identified by the Board and look forward to improved financial statements in the future.

5. The Group of 77 and China has also taken note that due to security and health risks, the Board was unable to conduct the field visits to UNDOF and UNMIL, but we are confident that the Board took innovative and alternative approaches to certifying the accounts of these two entities. Mr Chairman

6. With regard to the findings for the financial year 2013/2014, the Group has taken note that the Board issued 63 recommendations of which 22 are characterized as main recommendations as compared to the financial year 2012/2013 where a total of 49 recommendations were issued comprising of 13 main recommendations. The Group will be interested to learn in details the content of these recommendations during our informal deliberations.

7. The Group of 77 and China has also taken note of specific observation, comments and recommendations of the Board related to IPSAS implementation; budget formulation and implementation; management of travel and air transportation; procurement and asset management; performance of the Regional Procurement Office as well as implementation of the Global Field Support Strategy (GFSS).

8. While we note that there has been an improvement in addressing weaknesses identified by the Board in some of these areas; the Group remains deeply concerned relating to the continued re-occurrence of weaknesses identified by the Board in the past, including in key areas namely asset management, budget implementation, procurement and those affecting ICT equipment and software. We are also concerned that the GFSS continue to be an area with serious weaknesses despite the fact that the strategy enters its final stage. The Group will seek specific clarification on these issues of interest to the Group in the context of informal deliberations.

Mr Chairman,

9. With regard to the implementation of the recommendations of the Board of Auditors, the Group has taken note that out of a total of 49 recommendations, issued by the Board in the financial year 2012/2013, a total of 25 recommendations representing 51 per cent were implemented; 17 (or 35 per cent) were partially implemented and 7 (14 percent) were overtaken by events during the period under review. The Group is pleased to note that the implementation rate represents an increase of 8 percent compared to the previous year.

10. The Group of 77 and China would like to once again stress the importance of implementing the recommendations of the Board in full and in a timely manner. The Group continues to believe in the need for the administration to continue to take practical measures to set the timeframe and priorities for the implementation of the Board's recommendations and to hold the office-holders accountable for any shortcomings. It is also crucial for the administration to identify the root causes of recurring issues and minimizing the ageing of the Board's previous recommendations when implementing recommendations by the Board.

Mr Chairman,

11. In conclusion, the Group of 77 and China would like to assure you of our constructive and active engagement on the informal deliberations of this important agenda item with the aim to conclude in a timely manner.

I thank you, Mr Chairman.

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